

Message Text

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45

ACTION XMB-07

INFO OCT-01 EA-11 ADP-00 DODE-00 EB-11 INR-09 NSAE-00

RSC-01 TRSE-00 AEC-11 CIAE-00 AID-20 IGA-02 RSR-01

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R 200851 Z MAR 73

FM AMEMBASSY TAIPEI

TO SECSTATE WASHDC 8108

INFO USDOC WASHDC

AMCONSUL HONG KONG

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PASS EXIM

HONG KONG FOR RAND

E. O. 11652: N/ A

TAGS: EIND

SUBJECT: KUAN HSI CEMENT CORPORATION

REF: STATE 046583, TAIPEI 2648, 6243, 0084

1. FOLLOWING ARE FURTHER DEVELOPMENTS ON KUAN HSI CEMENT PROPOSAL. EMBASSY INTENDS TO REVIEW PREVIOUS RECOMMENDATION BUT WISHES TO DEFER DOING SO UNTIL WE HAVE FURTHER CONVERSATIONS WITH KUAN HSI AND ROC OFFICIALS.

2. ON MARCH 16 CHAIRMAN OF THE BOARD OF KUAN HSI SENT A DELEGATION TO THE EMBASSY TO LEAVE A LENGTHY LETTER AND VARIOUS DOCUMENTS - SOME OF WHICH HAD BEEN PREVIOUSLY PRESENTED - TO SUPPORT THE PROJECT. THE LETTER REQUESTS THE EMBASSY TO FAVORABLY RECOMMEND THE PROJECT TO CHAIRMAN KEARNS DURING HIS VISIT TO TAIPEI. WE ANTICIPATE THAT KUAN HSI WILL PRESS FOR A PERSONAL MEETING WITH CHAIRMAN KEARNS WHICH WILL BE VERY DIFFICULT BECAUSE OF HIS TIGHT SCHEDULE. DELEGATION ALSO LEFT EXPENSIVE
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PRESENT FOR COMATT WHICH IS BEING RETURNED.

3. LETTER INDICATES KUAN HSI HAS ADDED A FEW NEW WRINKLES TO THEIR PROPOSED PROJECT. THEY NO LONGER ARE INTERESTED IN A PRE- COMMITMENT FROM EXIM TO FINANCE THE COST OF A FEASABILITY STUDY AND CLAIM THEY WILL NOW FINANCE STUDY THEMSELVES. JOHNSON AND ANDERSON, INC. 2300 DIXIE HWY, PONTIAC, MICHIGAN SAID TO HAVE BEEN RETAINED TO CONDUCT STUDY. GENERAL MANAGER JOHNSON AND ANDERSON RECENTLY SET UP BRANCH (ONE MAN) IN TAIPEI AND IN JANUARY CALLED ON EMBASSY REGARDING KUAN HSI PROJECT. WE BELIEVE JOHNSON AND ANDERSON SMALL, NEWLY ESTABLISHED COMPANY. GENERAL MANAGER, JOSEPH KUO PROVIDED NO INFORMATION REGARDING HIS FIRMS ACTIVITIES IN US. KUO DID STATE HE IS US CITIZEN AND EDUCATED AT CCNY AND BROOKLYN POLYTECH.

4. ONE DOCUMENT PRESENTED IN SUPPORT OF PROJECT CONTAINS SERIES OF LETTERS FROM LOCAL AND OVERSEAS CHINESE STATING THEIR WILLINGNESS TO INVEST RATHER SUBSTANTIAL AMOUNT OF MONEY IN THE PROJECT IF FEASABILITY STUDY IS FAVORABLE. AN AMERICAN INVESTOR, APPARENTLY WORKING THROUGH AN OVERSEAS CHINESE (PING- SHING LEUNG), ALLEGEDLY WILL INVEST \$3 MILLION UPON CONCLUSION OF LOAN AGREEMENT WITH EXIM.

5. AMERICAN INVESTOR IS HERMAN D. (" BREEZY") WYNN, PRES. OF WYNN INDUSTRIES OF KNOXVILLE. ACCORDING TO A CLIPPING FROM AN UNNAMED NEWSPAPER WYNN WAS CO- CHAIRMAN OF THE SENIOR CITIZENS FINANCE COMMITTEE FOR THE REELECTION OF PRESIDENT NIXON. HE ALSO IS ON THE NATIONAL FINANCE COMMITTEE OF THE REPUBLICAN PARTY. THE CLIPPING WAS REPORTING WYNN'S ATTENDANCE AT A WHITE HOUSE RECEPTION.

6. IN A LETTER TO LEUNG, DATED FEB 7, WYNN STATED " I NEED A COMPLETE RESUME OF EVERY OFFICIAL IN YOUR COMPANY AS WELL AS THE STOCKHOLDERS TO GIVE TO THE EXIM. THEY MUST KNOW EVERYTHING ABOUT YOUR COMPANY AND ITS STOCKHOLDERS AS WELL AS FINANCIAL STATEMENT IF WE ARE TO GET THIS TWENTY SEVEN MILLION DOLLAR LOAN". LETTER GOES ON TO STATE " IT IS GOING TO REQUIRE A TREMENDOUS PUSH IN WASHINGTON AND OTHER PARTS OF THE WORLD".

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UM COPY OF LETTER AND DOCUMENTS BEING AIRPOUCHED. IF CHAIRMAN KEARNS DOES NOT MEET WITH KUAN HSI DURING VISIT, EMBASSY WILL MEET WITH OFFICIALS OF THE COMPANY AFTER HIS DEPARTURE.

8. UNITED DAILY NEWS ITEM NOTED BY FULLER CO. WAS ALSO CARRIED IN LOCAL CHINESE EDITION BUT NOT IN OTHER MEDIA.

MCCONAUGHY

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<< END OF DOCUMENT >>

Message Attributes

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Draft Date: 20 MAR 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
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Legacy Key: link1973/newtext/t19730346/abqcdxqc.tel
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